



PRESS RELEASE

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For Immediate Release

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Madison, Wisconsin -- Stephen P. Sinnott, Acting United States Attorney for the Western District of Wisconsin, announced that Steven A. Douglas, 18523 West Country Court, Libertyville, Illinois, DOB 03/26/1961, pleaded guilty today in U.S. District Court in Madison to money laundering in violation of Title 18, United States Code, Section 1357. U.S. District Judge Barbara Crabb scheduled sentencing for September 28, 2005 at 1:00 p.m. Douglas faces a maximum penalty of ten years imprisonment and up to a \$250,000 fine.

Steven Douglas owned and operated four check cashing business locations in Madison, Wisconsin named Madison's Cash Express (MCE). Using these check cashing businesses, Douglas directed a check kiting scheme involving US Bancorp (formerly Firststar Bank) and Traveler's Express/Wells Fargo. The scheme took place for at least the time period of January 2001 through September 2002.

The kiting scheme was accomplished by an ever-increasing float for the purchase of money orders from Travelers Express. The majority of the money orders were forged by MCE store employees. The MCE store employees used customer information obtained from the check cashing business to complete the purchaser section of the money orders. The forged money orders were then deposited into business bank

accounts. A weekly Automated Clearing House wire transfer of the deposited money was made from these business accounts to Travelers Express in order to pay for the businesses' previous week's purchase of money orders.

From time to time Douglas transferred money from his business accounts into his personal accounts and then used the funds for personal expenses. Among other expenditures, on May 10, 2002, Douglas issued a check to the Internal Revenue Service in the amount of \$18,736.27 in order to pay his personal taxes.

The charges against Douglas were the result of an investigation conducted by the Madison Police Department and the Internal Revenue Service. Prosecution of the case has been handled by Assistant U.S. Attorney Stephen Ehlke.

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